

Special Report
Review of Audits of Outside Agencies

January 2002

City Auditor's Office
City of Kansas City, Missouri

January 23, 2002

Honorable Mayor and Members of the City Council:

This review of audits of outside agencies was initiated by the City Auditor pursuant to Article II, Section 13 of the city charter. This report, which is required by Section 2-113 of the Code of Ordinances, focuses on reviewing the financial audit reports, internal control reports, and compliance reports of those agencies that receive at least \$100,000 in city funding annually. This is our fourth report on audits of outside agencies.

The amount of funding given to these agencies is significant. In fiscal year 2001, almost 50 outside agencies received \$114 million in funding or pass-through money to operate or administer programs or services that further the public good. This represents approximately 13 percent of total city expenditures during the fiscal year. Given the city's current financial situation, it is imperative that each agency's financial management is sound. This report provides the Mayor and City Council with information on each agency's performance and can assist them when making decisions about future funding for these agencies.

Auditors for almost a third of the agencies we reviewed had concerns they were required to report. Last year, about a fourth of the agencies reviewed had problems. The number of agencies receiving negative opinions on their financial statements or having reportable conditions, material weaknesses, or material noncompliance has increased since 2001. Four agencies had material weaknesses in the reports we reviewed this year compared to two agencies last year.

We appreciate the courtesy and cooperation extended to us during this project by staff in the city departments who monitor these agencies. The team for this project was Joyce Patton and Mary Jo Emanuele.

Mark Funkhouser
City Auditor

cc: Robert L. Collins, City Manager

Review of Audits of Outside Agencies

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Introduction

Objectives

This review of audits of outside agencies was conducted pursuant to Article II, Section 13 of the Charter of Kansas City, Missouri, which establishes the Office of the City Auditor and outline's the City Auditor's primary duties. This review is also required by Committee Substitute for Ordinance 990766, which requires the City Auditor to review audits of outside agencies and report the negative opinions, reportable conditions, and material weaknesses to the Mayor, City Council and City Manager on an annual basis. This is our fourth report.

The purpose of this report is to provide the Mayor and City Council with information on the performance of agencies receiving significant city funding and assist them when making decisions about future funding for these agencies.

Scope and Methodology

Our review was limited to those agencies receiving \$100,000 or more from the city in fiscal year 2001¹. This review is based on the most recent audit reports we received as of December 31, 2001. Audit reports are usually based on the agency's fiscal year, which can vary from the city's fiscal year.

Our review was performed in accordance with government auditing standards. Our methods included:

- Identifying outside agencies that received at least \$100,000 annually from the city.
- Obtaining and reviewing audits of financial statements, reports on internal controls and compliance, and management letters.

¹ Although the Port Authority, ReStart, and the Salvation Army did not receive \$100,000 during fiscal year 2001, we included them in this review because ReStart and the Salvation Army received over \$100,000 in calendar year 2000 and the Port Authority received over \$100,000 in calendar year 2001.

- Identifying and summarizing opinions on financial statements, reportable conditions, material weaknesses and material noncompliance identified by the agencies' external auditors.
- Examining contracts between city departments and outside agencies.

No information was omitted from this report because it was deemed privileged or confidential.

Background

Legislative Authority

Code of Ordinances. Section 2-113 of the Code of Ordinances requires any agency receiving \$100,000 or more annually in city funding to engage a CPA to conduct a financial audit and requires the CPA to submit the audit, management letter, and response to the management letter to the City Auditor. In addition, the agencies are required to engage a professional qualified to analyze the agency's internal control structure and the professional is to furnish the City Auditor with a copy of the analysis. The annual audit is to be submitted to the monitoring department within six months of the agency's fiscal year-end.

These requirements became effective in July 1999² when most agencies were in their 2000 fiscal year. This is the first full reporting period that these requirements were in effect for all agencies.

OMB Circular A-133. Agencies receiving at least \$300,000 annually in federal funding have additional reporting requirements. The (U.S.) Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, requires these agencies to have reports on internal controls over financial reporting and compliance with laws, regulations, and contract or grant agreement provisions.

Administrative Regulation (AR) 3-15. Administrative Regulation 3-15, "Contracts with Non-Municipal Agencies," establishes comprehensive policies and procedures for entering into and monitoring all contracts for service between the city and non-municipal agencies.

² Committee Substitute for Ordinance No. 990766, July 8, 1999.

AR 3-15 defines a non-municipal agency as:

Any entity with which the city contracts and/or provides funds for the operation or administration of a program or services which furthers the public good. This includes not-for-profit, public or quasi-public agencies. This does not include entities which contract with the Commissioner of Purchases and Supplies, business entities with which the city contracts for construction, consultant or engineering services, or governmental entities with which the city contracts for services.

Funding

During fiscal year 2001, the city provided \$114 million to almost 50 non-municipal agencies, comprising approximately 13 percent of the city's expenditures during that year. Eight city departments contract with outside agencies and are responsible for monitoring the agencies' performance. The size of the city's expenditures devoted to fund non-municipal agencies makes it important for the City Council to be informed of any concerns expressed by the agencies external auditors that may jeopardize the agency's ability to safeguard and use properly the funding it receives from the city. (See Exhibit 1 for funding by agency for the last three years.)

Exhibit 1. Funding Provided to Outside Agencies, Fiscal Years 1999 - 2001

Agency	1999	2000	2001
City Planning and Development			
18 th & Vine Authority	\$ 2,366,994	\$ 981,626	\$ 979,808
Economic Development Corporation of Kansas City	1,840,242	1,626,601	1,476,681
Land Clearance for Redevelopment Authority	1,139,856	219,865	345,523
Port Authority of Kansas City	369,680	223,333	30,000
Tax Increment Financing Commission	10,931,694	12,109,149	17,294,389
Convention and Entertainment Centers			
Convention & Visitors Bureau	\$ 5,430,434	\$ 4,428,874	\$ 5,885,712
Finance			
Union Station Kansas City ³	\$ 1,102,748	\$ 961,326	\$ 1,106,012
Health			
Cabot Westside Clinic ⁴	\$ 214,813	\$ 216,107	\$ 219,101
Children's Mercy Hospital	4,122,581	4,109,737	4,010,290
Good Samaritan Project	759,572	787,287	866,754
Heartland Aids Resource Council	228,945	197,722	206,734
Kansas City Free Health Clinic	864,979	835,549	765,707
MAST	2,033,313	2,132,135	1,907,626
Samuel U Rodgers Health Center	808,747	666,619	687,690
SAVE, Inc.	1,212,610	987,963	1,216,429
Swope Parkway Health Center	856,077	737,879	921,970
Truman Medical Center	27,347,633	27,691,464	27,987,371
Housing and Community Development			
Black Economic Union of Greater Kansas City	\$ 411,292	\$ 396,830	\$ 322,631
Community Development Corporation	212,715	30,777	100,000
East Meyer Community Association, Inc.	303,169	143,980	203,529
Greater Kansas City Housing Information Center	N/A ⁵	114,033	143,474
Hispanic Economic Development Corporation	177,067	167,695	199,355
Housing and Economic Development Financial Corp.	3,687,932	7,190,410	11,037,037
Kansas City Downtown Minority Development Corp.	1,124,250	145,000	221,126
Kansas City Neighborhood Alliance	209,546	127,846	143,068
Midtown Community Development Corporation	334,111	356,905	283,843
Minority Contractors Association of Greater Kansas City	155,469	97,934	212,748
Neighborhood Housing Services of Kansas City	140,036	101,812	135,392
Northland Neighborhoods, Inc.	N/A	151,908	210,582
Old Northeast, Inc.	350,595	266,382	272,830
Planned Industrial Expansion Authority	1,940,964	460,168	1,028,793

³ Kansas City Museum Association and the Union Station Assistance Corporation merged into Union Station Kansas City, Inc. on December 29, 2000. Figures for 1999 and 2000 indicate the funding given to the Kansas City Museum Association.

⁴ Formerly known as Richard Cabot Club Clinic.

⁵ N/A indicates that an agency was not included in our review because they did not receive at least \$100,000 in funding that year.

Agency	1999	2000	2001
Housing and Community Development (continued)			
Twelfth Street Heritage Development Corporation	\$ 162,676	\$ 141,737	\$ 169,307
Westside Housing Organization	132,642	45,188	269,129
Neighborhood and Community Services			
Community Assistance Council, Inc.	\$ N/A	\$ N/A	\$ 102,348
Full Employment Council	338,987	183,483	189,152
Guadalupe Center, Inc.	432,402	317,379	447,143
Hope House, Inc.	N/A	N/A	121,475
KCMC Child Development Corporation	258,383	172,422	294,935
Legal Aid of Western Missouri	743,598	691,329	695,685
Metropolitan Lutheran Ministry	216,199	205,266	302,881
Newhouse, Inc.	N/A	N/A	195,645
Operation Breakthrough, Inc.	212,341	207,932	190,093
ReStart, Inc.	N/A	124,177	91,151
The Salvation Army	N/A	N/A	93,756
United Inner City Services Agency	143,217	145,317	120,130
United Services Community Action Agency	109,787	161,539	168,940
Office of Environmental Management			
Bridging the Gap, Inc.	\$ 512,899	\$ 389,039	\$ 561,654
Public Works			
Kansas City Area Transportation Authority	\$ 31,598,862	\$21,429,618	\$ 29,851,403
Total City Funding	\$105,540,057	\$92,879,342	\$114,287,032

Sources: City Auditor's Office 1999 and 2000 review of outside agencies, annual agency audits, and the city's Financial Management System (AFN).

Analysis

Summary

Auditors for almost a third (15 out of 49) of the agencies we reviewed had concerns they were required to report. Last year, about a fourth (11 out of 44) of the agencies reviewed had problems. The number of agencies receiving negative opinions on their financial statements or having reportable conditions, material weaknesses, or material noncompliance has increased since 2001. Four agencies had material weaknesses in the reports we reviewed this year compared to two agencies last year. Since 1999, the number of agencies reviewed has increased each year. (See Exhibit 2.)

Exhibit 2. Type of Findings

Finding	Number of Agencies ⁶			
	1999	2000	2001	2002
Qualified Opinion	3	1	0	1
Disclaimer of Opinion	0	0	0	1
Reportable Condition	13	8	11	13
Material Weakness	4	2	2	4
Material Noncompliance	5	4	3	4
Agencies Reviewed	41	43	44	49

Sources: Annual agency audits.

Exhibit 3 on the following page is a summary, by monitoring department, of the reports we reviewed and the findings indicated by their auditors. These include the most recent reports we received and any reports we have not reported on in the past. As of December 31, 2001 we had not received audit reports for United Inner City Services for the year ending December 31, 2000 and Truman Medical Center for the year ending April 30, 2001.⁷

⁶ An agency can have multiple findings in any review period. Three agencies had multiple findings during this reporting period.

⁷ According to the agency's external auditors, the 2000 audit for United Inner City Services is still in progress; according to the monitoring department, the 2001 audit for Truman Medical Center is still in progress.

Exhibit 3. Summary of Reports Reviewed and Findings

Agency Name	Report Date	Type of Opinion	Reportable Condition ⁸	Material Noncompliance ⁹
City Planning and Development				
18th & Vine Authority	4/30/01	Unqualified	No	N/A
Economic Development Corporation of Kansas City, Missouri	4/30/01	Unqualified	No	No
Land Clearance for Redevelopment Authority	4/30/01	Unqualified	No	No
Port Authority of Kansas City, Missouri	4/30/01	Unqualified	No	No
Tax Increment Financing Commission	4/30/01	Unqualified	No	No
Convention and Entertainment Centers				
Convention & Visitors Bureau of Greater Kansas City	4/30/01	Unqualified	No	N/A
Finance				
Kansas City Museum Association	4/30/00	Unqualified	No	N/A
Union Station Kansas City, Inc.	12/31/00	Unqualified	No	N/A
Health				
Cabot Westside Clinic	12/31/00	Unqualified	Unknown	N/A
Children's Mercy Hospital	6/30/00	Unqualified	No	No
Good Samaritan Project	12/31/00	Unqualified	Yes	No
Heartland Aids Resource Council	12/31/00	Unqualified	No	No
Kansas City Free Health Clinic	3/31/01	Unqualified	No	No
MAST	4/30/01	Unqualified	No	N/A
Samuel U Rodgers Community Health Center	9/30/00	Unqualified	Yes	Yes
SAVE, Inc.	6/30/00	Unqualified	Yes	No
Swope Parkway Health Center	12/31/00	Unqualified	No	No
Truman Medical Center	4/30/00	Unqualified	Yes ¹⁰	No
Housing and Community Development				
Black Economic Union of Greater Kansas City	12/31/00	Unqualified	Yes	No
Community Development Corporation	2/28/01	Unqualified	No	No
East Meyer Community Association, Inc.	5/31/00	Unqualified	No	No
Greater Kansas City Housing Information Center	12/31/00	Unqualified	Yes ¹¹	No
Hispanic Economic Development Corp.	5/31/00	Unqualified	No	No
Housing and Economic Development Financial Corporation	5/31/00	Unqualified	Yes	No

⁸ Unknown indicates we did not receive any type of analysis on the agency's internal control structure.

⁹ N/A indicates the agency was not required to submit a compliance report.

¹⁰ The reportable condition for Truman Medical Center is also a material weakness.

¹¹ The reportable condition for Greater Kansas City Housing Information Center is also a material weakness.

Agency Name	Report Date	Type of Opinion	Reportable Condition	Material Noncompliance
Housing and Community Development (continued)				
Kansas City Downtown Minority Development Corporation	6/30/00	Unqualified	No	N/A
Kansas City Neighborhood Alliance	12/31/00	Unqualified	No	N/A
Midtown Community Development Corp.	12/31/00	Unqualified	No	Yes
Minority Contractors Association of Greater Kansas City	5/31/00	Unqualified	Yes ¹²	No
Neighborhood Housing Services of Kansas City, Inc.	9/30/00	Unqualified	Yes	N/A
Northland Neighborhoods, Inc.	5/31/00	Unqualified	No	No
Old Northeast, Inc.	12/31/00	Unqualified	Yes	No
Planned Industrial Expansion Authority	4/30/01	Unqualified	No	No
Planned Industrial Expansion Authority	4/30/00	Unqualified	No	No
Planned Industrial Expansion Authority	4/30/99	Unqualified	No	No
Twelfth Street Heritage Development Corporation	5/31/00	Unqualified	No	No
Westside Housing Organization	5/31/00	Unqualified	No	No
Neighborhood and Community Services				
Community Assistance Council, Inc.	12/31/00	Unqualified	No	N/A
Community Assistance Council, Inc.	12/31/99	Unqualified	No	N/A
Full Employment Council	6/30/00	Qualified	No	Yes
Guadalupe Center, Inc.	12/31/00	Unqualified	Yes ¹³	Yes
Guadalupe Center, Inc.	12/31/99	Disclaimer	Yes ¹⁴	Yes
Hope House, Inc.	9/30/00	Unqualified	No	N/A
KCMC Child Development Corporation	6/30/00	Unqualified	Yes	No
Legal Aid of Western Missouri	12/31/00	Unqualified	No	No
Metropolitan Lutheran Ministry	1/31/01	Unqualified	Yes	No
Newhouse, Inc.	12/31/00	Unqualified	No	No
Operation Breakthrough, Inc.	10/31/00	Unqualified	No	No
ReStart, Inc.	12/31/00	Unqualified	No	No
The Salvation Army	9/30/00	Unqualified	No	No
The Salvation Army	9/30/99	Unqualified	No	No
United Inner City Services, Inc.	12/31/99	Unqualified	No	No
United Services Community Action Agency	9/30/00	Unqualified	No	No
Office of Environmental Management				
Bridging the Gap, Inc.	4/30/01	Unqualified	No	N/A
Public Works				
Kansas City Area Transportation Authority	12/31/00	Unqualified	No	No

Sources: Annual agency audits performed by the agencies' outside auditors for the years ended as indicated above.

¹² The reportable condition for Minority Contractors Association of Greater Kansas City is also a material weakness.

¹³ The reportable condition for Guadalupe Center for the year ended December 31, 2000 is also a material weakness.

¹⁴ The reportable condition for Guadalupe Center for the year ended December 31, 1999 is also a material weakness.

Qualified and Disclaimer of Opinions

Qualified Opinion. One agency received a qualified opinion on its financial statements. Auditors issue qualified opinions when they see unjustified departures from generally accepted accounting principles (GAAP) or have major limitations on the scope of an audit, such as might occur from missing documentation. In this case, the agency's auditors issued the qualified opinion because the agency did not present fixed assets acquired with federal grant funds and the related lease obligation in conformity with generally accepted accounting principles. (See Appendix A for the agency having the qualified opinion and the reason.)

Disclaimer of Opinion. One agency received a disclaimer of opinion on the financial statements. Auditors typically issue a disclaimer of opinion when a material uncertainty exists and the auditor believes that it is so pervasive as to not be adequately communicable by the use of an explanatory emphasis paragraph or there is a significant restriction on the audit scope. The auditors for this agency were unable to issue an opinion on the agency's statement of activities, cash flows and functional expenses for the year ended December 31, 1999 because the agency did not maintain its accounting records on a current basis; the agency's internal control structure was not adequate to assure transactions were recorded properly; some accounting records were lost due to computer problems, and evidence supporting transactions was not always available. In 2000, the agency improved its financial reporting and received an unqualified opinion. (See Appendix B for the agency with a disclaimer of opinion and the reason.)

Reportable Conditions and Material Weaknesses

The number of agencies with reportable conditions increased from 11 in our January 2001 report to 13. Reportable conditions indicate that the auditors believe there are significant deficiencies in the design or operation of an entity's internal control structure, and that the deficiencies could adversely affect the entity's ability to record and report financial data. Examples of reportable conditions include not reconciling subledgers to the general ledger, lack of segregation of duties, and failing to file payroll tax returns.

For four of the agencies we reviewed, the reportable conditions were significant enough for their auditors to consider them to be material weaknesses. A material weakness is a reportable condition in which the

design or operation of specific internal controls does not ensure that material errors or irregularities will be detected promptly by employees in the normal course of work. Material weaknesses could have a significant effect on the financial statements. (See Appendix C for agencies with reportable conditions and material weaknesses and the reasons.)

Material Noncompliance

Four out of 37 agencies had material noncompliance with laws, regulations and/or contract or grant agreement provisions.¹⁵ This compares to three out of 34 agencies in our January 2001 report that had material noncompliance. Examples of material noncompliance include not maintaining records, not submitting reports on a timely basis, and lack of required documentation. (See Appendix D for agencies with material noncompliance and the reasons.)

¹⁵ Only those agencies receiving at least \$300,000 in federal funding are required to have a report on compliance.

Appendix A

Reason for Qualified Opinion

Neighborhood and Community Services

Full Employment Council (6/30/00)

Fixed assets acquired with federal grant funds and the related lease obligation were not presented in conformity with generally accepted accounting principles.

Appendix B

Reasons for Disclaimer of Opinion

Neighborhood & Community Services

Guadalupe Center, Inc. (12/31/99)

- Guadalupe Center did not maintain its accounting records on a current basis during 1999, and the Center's internal control was not adequate to assure the proper recording of transactions, thus requiring reconstruction of certain records subsequent to December 31, 1999 resulting in substantial adjustments to the accounts.
- The Center also lost accounting records for the first quarter of 1999 due to computer problems.
- Adequate evidential matter supporting recorded transactions was not available in all cases.
- Significant changes in employees and key fiscal personnel during 2000 created a lack of continuity in the accounting system.

The auditors did not express opinions on the statement of activities, cash flows and functional expenses for the year ended December 31, 1999. However, an unqualified opinion was expressed for the statement of financial position as of December 31, 1999.

Appendix C

Reasons for Reportable Conditions

Health

Good Samaritan Project (12/31/00)

- Due to the size of the accounting department, there is little segregation of accounting functions.
- The city's file review disclosed several deficiencies in file documentation.

Samuel U Rodgers Community Health Center (9/30/00)

- Certain individuals have assigned duties, access or the ability to process, record and monitor transactions in the accounting cycles, which are considered to be conflicting duties in an effective internal control structure.

SAVE, Inc. (6/30/00)

- While the monthly reimbursements for government funds have been calculated correctly, the monthly internal financial statements of SAVE, Inc. and its affiliates do not provide complete and accurate information.
- SAVE, Inc.'s general ledger software is no longer supported by its maker and appears to be outdated.
- SAVE Development, Inc., SAVE Housing, Inc. and SAVE Residential, Inc. do not use the HUD chart of accounts.
- Deposits have not been made to SAVE Housing, Inc.'s Replacement Reserve account since January 2000.

Truman Medical Center (4/30/00)

- Certain individuals have assigned duties, access or the ability to process, record and monitor transactions in the accounting cycles, which are considered to be conflicting duties in an effective internal control structure. **(This reportable condition is also a material weakness.)**

Housing & Community Development

Black Economic Union of Greater Kansas City (12/31/00)

- The fixed asset schedule was not reconciled with the general ledger balances.

- Black Economic Union does not have adequate documentary evidence/support for some expense items.

Greater Kansas City Housing Information Center (12/31/00)

- On interim financial statements, the organization posts copier lease payments to contract services instead of interest and reduction of capital lease obligation.
- After changing payroll service companies, Kansas City, Missouri earnings tax was not withheld from employee pay and remitted to the city. Also, the city earnings tax report was not filed with the city. **(This reportable condition is also a material weakness.)**
- During 2000, remittances paid to the organization's pension plan administrator were substantially less than amounts withheld from employee's pay per agreements in place, resulting in under-funding.
- Controls are not in place to insure that payroll taxes are properly allocated.

Housing and Economic Development Financial Corporation (5/31/00)

- The Servicing Department and the accounting clerk have access to both the assets and the accounting records for the assets, which represents incompatible duties.

Minority Contractors Association of Greater Kansas City (5/31/00)

- Agency failed to file payroll tax returns and pay required payroll taxes in a timely manner. **(This reportable condition is also a material weakness.)**

Neighborhood Housing Services of Kansas City, Inc. (9/30/00)

- Duties were not segregated.
- The organization consolidated the new construction and the revolving loan fund with the operating fund.

Old Northeast, Inc. (12/31/00)

- A check for accounting services was not countersigned by one of the signatories and the contract agreement was not attached as supporting documentation.
- Duplicate reimbursement requests from CDBG and LISC grants were made for the same invoices during the months of July and August 2000.

- Salary expenses of administrative employees spending their time on different projects were paid from the CDBG fund instead of being prorated according to time spent on each program.

Neighborhood & Community Services

Guadalupe Center (12/31/00)

- Guadalupe Center did not maintain its accounting records on a current basis during 2000. In addition, Guadalupe Center's internal control structure was not adequate to assure the proper recording of transactions during the year. Also, bank reconciliations were not performed timely and accurately. **(This reportable condition is also a material weakness.)**

Guadalupe Center, Inc. (12/31/99)

- Guadalupe Center did not maintain its accounting records on a current basis during 1999. Also, Guadalupe Center's internal control structure was not adequate to assure the proper recording of transactions. As a result, certain records had to be reconstructed and substantial adjustments were made to the accounts. **(This reportable condition is also a material weakness.)**
- Guadalupe Center did not maintain current subsidiary ledgers for fixed assets or receivables. **(This reportable condition is also a material weakness.)**
- Bank statements were not reconciled on a timely basis. **(This reportable condition is also a material weakness.)**
- Guadalupe Center did not maintain adequate segregation of duties as one individual handled most aspects of the accounting system in 1999. **(This reportable condition is also a material weakness.)**
- Blank check stocks were not being stored in a secure location and some of the blank checks were already signed. **(This reportable condition is also a material weakness.)**
- Concerning the Special Programs for the Aging, Guadalupe Center did not maintain documentation supporting participant eligibility regarding the Nutrition Services congregate meal program. **(This reportable condition is also a material weakness.)**

KCMC Child Development Corporation (6/30/00)

- Written disbursement authorization signed by the executive director was not obtained for payment of alteration/renovation services performed at several of KCMC's Head Start facilities. Also, the alteration/renovation services were not procured pursuant to formal purchase orders, purchase requisitions, or contracts.
- Over 25 percent of the tested participant files did not contain proof of income or proof of the child's age.
- Four of 50 participant files selected for testing could not be found.
- Of the Child and Adult Care Food Program provider files selected for testing, a total of nine enrollment cards could not be found among four providers.

Metropolitan Lutheran Ministry (1/31/01)

- Metropolitan Lutheran Ministry did not maintain subsidiary records which support the contributions and bequests made to date for the new building.

Appendix D

Reasons for Material Noncompliance

Health

Samuel U Rodgers Community Health Center (9/30/00)

- Five out of 30 patients sampled lacked the documentation necessary to verify the patient's income and determine the appropriate discount percentage. The discounts totaled \$148.

Housing & Community Development

Midtown Community Development Corporation (12/31/00)

- Midtown Community Development Corporation filed its Financial Status Report seven months late without requesting an extension.
- Midtown Community Development Corporation did not actively monitor the Property and Relocation Services Division's compliance concerning the relocation of individuals.

Neighborhood & Community Services

Full Employment Council (6/30/00)

- Full Employment Council maintained an average excess cash balance for one month, exceeding the State of Missouri's maximum cash balance average.

Guadalupe Center, Inc. (12/31/00)

- Guadalupe Center did not submit a completed Single Audit reporting package to the Federal Clearinghouse within nine months after its year-end.

Guadalupe Center, Inc. (12/31/99)

- Guadalupe Center did not have a Schedule of Expenditure of Federal Awards available.
- Supporting documentation was not maintained for reimbursement requests for an Americorp grant during 1999.
- Copies of contracts in effect during 1999 for an Americorp grant were not maintained.
- The center did not transmit a completed Single Audit reporting package to the Federal Clearinghouse within nine months after the end of the applicable audit period.

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- The center did not perform drug and alcohol testing or background checks of employees and volunteers associated with the Special Programs for the Aging, who provides direct care to the program participants.